

Blackwattle Global Quality Fund



November 2024

About the Fund

The Blackwattle Global Quality Fund is a high conviction long only fund that aims to provide exposure to the highest quality companies in the world, trading at attractive valuations. The fund adopts an 'All-weather Quality' approach for investing.

Our approach recognises a company's persistent competitive edge and the durability of earnings power allowing for the compounding of capital over the business cycle.

Risk is managed through portfolio and stock exposure limits and process discipline.

Blackwattle Investment Partners

Blackwattle is a new generation, highly aligned, Australian investment manager investing in quality businesses and people.

Alignment

Shared staff ownership, zero personal trading, profit and personal salary reinvestment, and most importantly significant personal investment alongside our clients.

Quality

We aim to buy businesses that have a forward advantage, trustworthy aligned management, priced below intrinsic value.

Trust

We believe that honesty and transparency builds trust with our clients, stakeholders, and community.

Key Information

Fund Name	Blackwattle Global Quality Fund
APIR	ETL1392AU
Inception Date	May 2024
Typical no. of Stocks	20-35
Cash Limit	10%
Cash Distributions	Semi Annually
Redemptions	Daily
Buy Sell Spread	0.25% upon entry 0.25% upon exit
Fees	Management 0.90%* Performance 12.5%*
Constrained Capacity	\$10bn

Objective

The Fund aims to outperform the MSCI AC Net World (after fees and before taxes) over the long term.

To deliver performance of 8-12% p.a over the long-term.

Investment Team



Sunny Bangia

18+ years' investment experience. Previously Co-Founder and Portfolio Manager of Antipodes Partners, and Co-Portfolio Manager of Antipodes Global funds and lead Portfolio Manager of Antipodes Asia Fund.



Edward Li

8+ years' investment experience. Previously Investment Analyst at Antipodes Partners (Global Strategies). Investment Associate at Colinton Capital Partners and Investment Banking Analyst at Macquarie Capital



Nicholas Tan

13+ years' investment experience. Previously Senior Investment Analyst at Antipodes Partners (Global and Emerging Markets) and at Platinum Asset Management

Fund Performance¹

Blackwattle Global Quality Fund Performance (net of fees) as of 30 November 2024.

	1 month	3 months	6 months	1 Year	2 Years	3 Years	Inception p.a ²
Fund (Net)	6.25%	11.76%	17.64%	-	-	-	18.91%
Benchmark ³	4.31%	8.08%	12.83%	-	-	-	14.95%
Active Return	1.94%	3.68%	4.81%	-	-	-	3.96%

¹ Returns are calculated after fees have been deducted and assume distributions have been reinvested. No allowance is made for tax when calculating these figures. Past performance is not a reliable indicator of future performance. Source: Apex.

² The inception date for the Fund is 2 May 2024

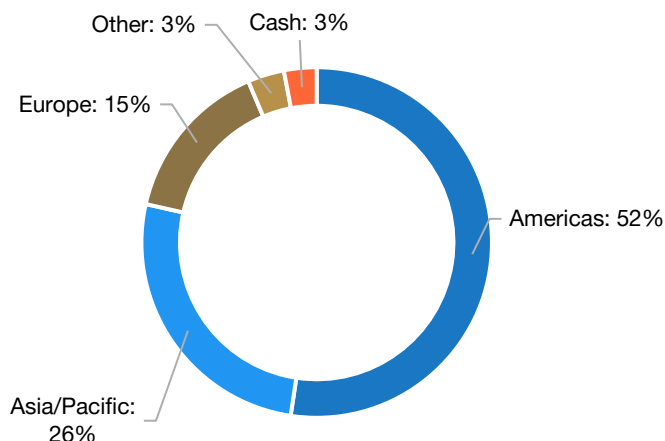
³ MSCI AC Net World (AUD)

*Inclusive of Goods and Services Tax (GST) and net of any Reduced Input Tax Credits (RITC).

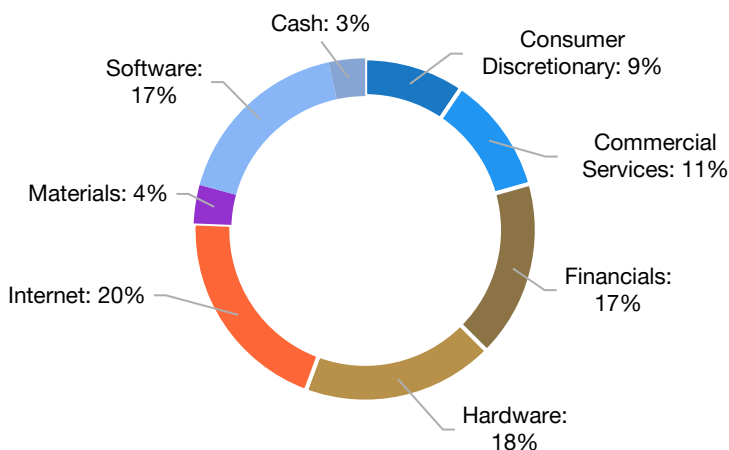
Top 5 Holdings



Geographic Revenue Exposure



Sector Exposure



Portfolio Commentary

The Blackwattle Global Quality portfolio outperformed the MSCI AC World Index (AUD) by +1.94% during the month.

Key Contributor – Capital One Financial

Capital One’s share price saw a robust rally following its strong third-quarter earnings report, which significantly exceeded market expectations. In the Q3 results, the company showcased better-than-anticipated net income figures, underpinned by disciplined expense management and relatively stable credit metrics. Earnings were especially encouraging given the broader financial sector’s mixed performance, painting Capital One as a bank with a resilient business model in a challenging environment

The positive momentum continued into November, particularly after the U.S. election. With expectations for a more predictable regulatory environment and continued fiscal support measures, financial stocks benefited broadly.

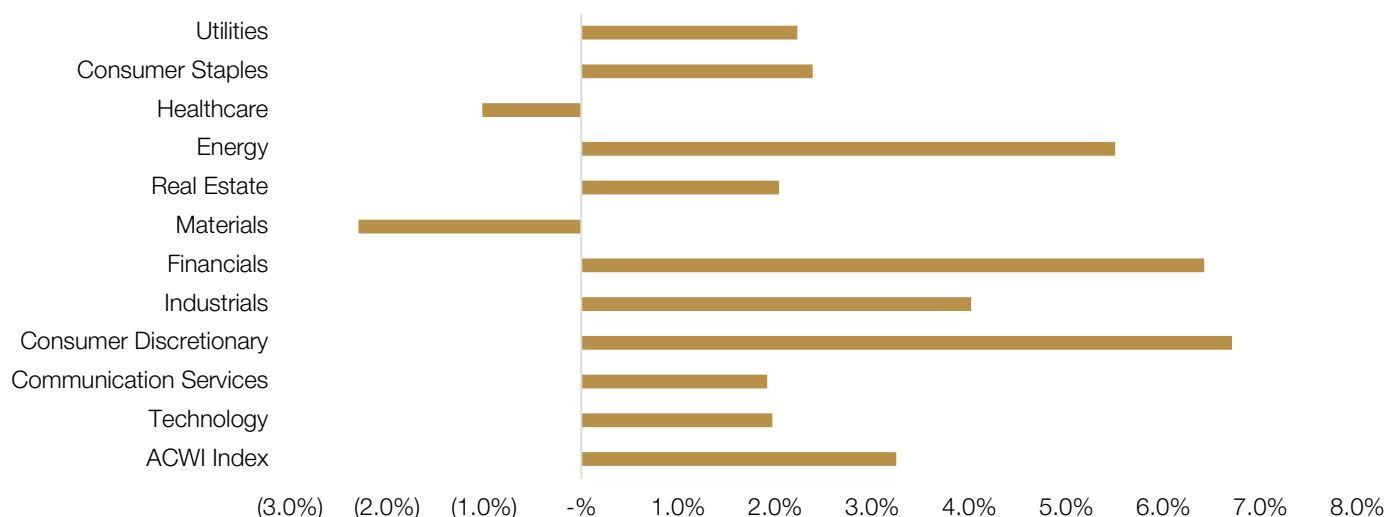
Key Detractor – Richemont

Richemont was a detractor this quarter as it reported weaker than expected results. The weakness was mainly due to the ongoing weakness in the Asia Pacific region, particularly from Chinese consumers. There were also margin pressures from higher precious metal prices, adverse forex movements, and several one-off costs. Despite these challenges, Richemont’s Jewellery Maisons division, which includes Cartier and Van Cleef & Arpels, delivered robust performance with a 4% sales growth, outperforming other luxury peers. This will continue to improve as the personal luxury market recovers.

Market Commentary

November saw global markets respond to significant macroeconomic and political developments, including the outcome of the U.S. presidential election. The Republican's sweep & Trump's victory brought immediate implications for market sentiment, as investors evaluated the potential economic and policy trajectory under the new administration. Equity markets exhibited mixed reactions, with U.S. indices initially rallying on expectations of tax cuts and deregulatory policies, but later paring gains amid concerns about trade policy and geopolitical strategy.

MSCI ACWI November returns (AUD) (%)



In the U.S., the election's impact was felt across sectors. Infrastructure-related stocks saw strong gains, buoyed by anticipation of increased government spending, while technology stocks experienced heightened volatility due to uncertainties surrounding international trade and potential regulatory changes. Meanwhile, Federal Reserve policymakers signalled their intent to stay data-dependent, with Chair Powell emphasizing vigilance on inflation while acknowledging potential fiscal tailwinds from the incoming administration's proposed agenda.

European markets faced ongoing challenges, including subdued growth and weaker industrial activity, while also digesting the implications of U.S. policy changes. A stronger U.S. dollar, driven by expectations of fiscal stimulus, placed additional pressure on export-dependent sectors in Europe. The ECB maintained a steady hand, reiterating its commitment to accommodative policy as inflation showed signs of moderating.

In China, markets remained cautious but exhibited pockets of optimism following targeted interventions by the PBoC. The announcement of additional fiscal measures to support domestic demand, coupled with expectations of stable U.S.-China relations under the new administration, helped offset concerns about the property sector. However, questions about the durability of these measures and the broader economic recovery lingered.

Emerging markets faced divergent impacts from U.S. election outcomes. Resource-rich economies benefited from stronger commodity prices, while those with significant U.S. trade exposure braced for potential policy shifts.

Overall, November underscored the interconnectedness of political and economic developments. As December approaches, attention will turn to the Federal Reserve's policy meeting, the ECB's outlook, and China's economic policy conference. Investors are also watching for clarity on U.S. trade and fiscal policies under the Trump administration, which will likely play a pivotal role in shaping global markets heading into 2025.

How to Invest

To invest click on the link <http://www.blackwattlepartners.com/invest/> or call 02 7208 9922.

Contact Details

Investor Services

Apex Fund Services
Ph: 1300 133 451
E: registry@apexgroup.com



Distribution and Sales Team

Matt Dell

Executive Director
0423 793 456
mdell@blackwattlepartners.com

Maggie Mills

Head of Distribution
0498 183 569
mmills@blackwattlepartners.com

Nick O'Hare

Senior Account Director
0423 773 837
nohare@blackwattlepartners.com

Sid Cavallaro

Account Director
0409 405 617
scavallaro@blackwattlepartners.com

This document is issued by Blackwattle Investment Partners Pty Limited (ABN 24 663 839 094) (BIP) corporate authorised representative of Blackwattle Licensing Pty Limited (ACN 665 711 839 AFSL 547 617) (corporate authorised representative no. 001304362) the investment manager of the Blackwattle Global Quality Fund. Equity Trustees Limited (ABN 46 004 031 298, AFSL No. 240975) (EQT) is the responsible entity of the Fund. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). This document is intended to provide general information only and is subject to change. It does not constitute an offer to subscribe for units in the Fund. The information does not consider the investment objectives, financial situation, or particular needs of any individual. You should seek advice from your licensed financial adviser and read the product disclosure statement (PDS) before making an investment decision. The PDS and target market determination (TMD) for the Fund can be obtained for free by visiting our website www.blackwattlepartners.com. The Fund commenced on May 2024. Returns shown for the Fund have been calculated using exit prices after taking into account fund ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation. Neither BIP, EQT or their related body corporates guarantee repayment of capital or any particular rate of return. An investment may achieve a lower-than-expected return and investors risk losing some or all of their principal investment. BIP has obtained information from sources it considers to be reliable but does not represent that such information is accurate or complete, or that it should be relied upon. Neither BIP nor EQT make any representations or warranties, express or implied, as to the accuracy or completeness of the information it provides and to the maximum extent permitted by law, neither BIP, EQT nor its directors, employees or agents accept any liability for any loss caused by using this information.